

Hiring a qualified contractor will ensure the damage done to your home will be repaired properly:

GUIDE TO SELECTING A QUALIFIED CONTRACTOR

1. Take photos of the proposed work areas and write a description of exactly what work you want a contractor to do.
2. Select 3 or 4 contractors obtained from:
 - The phone book
 - A friend's or relative's recommendation
 - Prior experience with a contractor
3. Make an appointment with the contractors to survey the work area(s). An individual appointment with each contractor is probably best. Use your notes when talking to the contractor so you include the total scope of work.
4. Ask the contractor to provide you with an itemized proposal that states exactly what work will be done and how much each item will cost (no lump sum bids). Set a date when the bid will be delivered to you (ten working days should be sufficient time).
5. Ask the contractor if he is licensed (ask to see City and State licenses), insured (what the amounts of coverage are) and bonded. The contractor should have previous renovation experience, preferably 2 – 3 years. Ask the contractor for 3 references from prior clients so that you can check with these individuals on the contractor's quality of work and their level of satisfaction with the contractor's work.
6. Pick the contractor and bid you are most comfortable with. The lowest may not always be the best bargain. Check with the building inspection department to verify if the contractor is appropriately licensed to perform the proposed work.
7. Insist on a written contract between you and the contractor. It should include and cover:
 - **Scope of work.** Include all specifications, drawings and standards for work.
 - **Requirements for schedule of work and completion date.** The contractor should be required to reach certain milestones by certain times to assure that progress is being made. This section should include any penalty for being late.
 - **Contract amount.** The full dollar amount related to satisfactory completion of the scope of work must be stated.
 - **Payment schedule.** Specific amounts tied to the completion schedule, including condition for final payment. This should include provisions for retaining a certain

portion of each payment to assure completion. (Typically 10%) Ask to see certificate of occupancy from the Building Inspection Division prior to final payment.

- **Insurance, bonding and indemnification requirements.** Make sure that the contractor has sufficient insurance to cover all work and all accidents that might occur on the job. In addition, the contractor should agree to indemnify the owner from any liability arising from the work.
 - **Responsibility for providing labor and materials.** Specify who is responsible for the utilities, access and all other items required for work to progress. If use of space beyond the property boundaries is required, specify how that will be handled. (Required permits must be obtained by the Licensed Contractor).
 - **Warranties.** Specify the warranties the contractor must provide and how they will be enforced.
 - **Taxes, permits, fees and notices.** Specify who is responsible for paying, acquiring or delivering all of these items that are required by localities or funding sources.
 - **Allowances, alternates and change orders.** Describe exactly what the contractor is responsible for and the conditions under which additional charges may be approved and incurred.
 - **Contractor representative.** Identify who the on-site responsible party is.
 - **Site conditions.** Specify what use the contractor and employees may make of the site. Require periodic clean up of the site of all accumulated debris and unused materials.
8. **Pay no monies to the contractor in advance.** Payment should be made only after the work is complete and has been inspected by a qualified third party such as a building inspector, home inspector, or architect.
 9. When doing major renovations, consider a two-phase plan. Phase one would include the demolition. This will allow the contractor to ascertain whether hidden damage from water or termites exists and bid accordingly. This will result in more precise bidding with less expensive surprises later. Phase two would entail the actual repairs and renovation.
 10. An inspection for termites, including Formosan termites is strongly recommended. These subterranean pests are a great problem in Charleston and it is prudent to eliminate them as quickly as possible to prevent costly repairs later.

11. After the job has commenced, monitor the progress of the work to ensure that it complies with scope of work. If you see something you don't like or understand, bring it up *immediately* with the contractor. Pay as agreed in the contract but not before.
12. If, after job completion, you are a satisfied customer, let the contractor and someone else know.

ITEMS THAT MAY SIGNIFY POTENTIAL PROBLEMS WITH A CONTRACTOR

- Contractor wants to work without obtaining a permit. (make sure certificate of occupancy is issued before you make final payment).
- No valid license (S.C. State Residential Builder's license).
- No bond or insurance
- No phone number or verifiable (LOCAL) address
- No verifiable references